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Six years have passed since South African Native policy was given a renewed legal definition in the Native Trust and Land Act. But thirteen years before that the same principles were given expression in the Native Urban Areas Act. And ten years before that the Beaumont Commission was delimiting areas of land which might contain the Union's Bantu population. And sixty-seven years before that a Location Commission was busy on exactly the same task in Natal. And thirty-four years before that the Zuurveld was being cleared in the Cape Eastern frontier to reduce contact between White and Black.

It is unnecessary to pursue the theme here: the history of the country affords countless illustrations of the process of keeping the African people "in their place", be it geographically, socially, or economically. From the earliest times the Dutch East India Company tried to enforce a policy of no contact between European and Native. Later, when the station had become a colony, years were spent and wars were waged in order to stabilize the frontier between the moving and expanding Bantu and European populations. A "no-man's land" was created, but white expansion could not be checked, and by the middle of the last century Europeans had spread themselves out in the heart of the Bantu territory, seeking to confine the population in demarcated reserves, or tying small groups to appropriated farm lands as "apprentices" or "squatters" or "tenants".

The rise of sugar farming on a plantation basis created the first major labour
Moreover, has seen an acceleration of this Native problem. The twentieth century, to what was now becoming known as the cleavage of interest, became the real determinant of Native tenure and to create a landless group which would be forced to seek employment, and the Union still looks beyond its borders, to the East and to the North, for a supplementary labour force. A third device has also been used, but without very much success, e.g. the subdivision of Native lands to allow of individual tenure and to create a landless group which would be forced to seek outside employment. Behind all three of these methods of increasing available labour was the general pressure of the whole Native population upon the areas to which it was relegated, a pressure which is steadily increasing and which is clearly evidenced in the fall-off in labour recruits when the harvest is good at home. It was during the last quarter of the century, however, that the labour problem became the real determinant of Native policy. The development of mining depended upon the concentration of labour in small areas: not only for the mines themselves, but for the many satellite industries; and not only around the mines proper, but in many other parts of the country in the lines of communication with the overseas world. In short, it was the growth of urban areas which was to condition the legislative approach to what was now becoming known as the Native problem. The twentieth century, moreover, has seen an acceleration of this process of urbanization. Nor is this a transitory or local phenomenon: the "new" countries as well as the "old" have all experienced the townward drift, and there seems to be no immediate likelihood of the movement's being retarded, let alone reversed. Indeed, the rapid growth of industry since protection by tariff was afforded in 1925, and again since the new fillip given to mining by the high price of gold since 1933, and most recently, the tremendous demands made by the war on the country's industrial economy, have all served to reinforce the movement.

Cleavage of Interest

The effect of the rapid industrialization of the Union in the twentieth century has been more than the mere intensification of demand for Native labour, or the re-enforcement of the tendency towards economic assimilation. It has given rise to a new and complicating factor in the labour situation. In Dr. van der Horst's words:

"During the twentieth century some new forces came into being and the situation became more complex. During the nineteenth century the development of mining had introduced skilled European employees whose interest had coincided with the desire of employers to increase the supply of Native labour. At that time European and Native labour were co-operative factors of production and an increase in the supply of one class of employee tended to increase the productivity and wages of the other."

"In the twentieth century a cleavage of interest appeared between the European employee on the one hand, and on the other, the European employer and Native labourer. There were two aspects of this cleavage of interest. Some of the Native labourers began to acquire skill and to compete for work with European skilled artisans, and particularly with the European miners. At the same time it became apparent that some of the Europeans who had no land were losing such means of support as were hitherto available to them. They had, consequently, to compete with Natives and other Non-Europeans for unskilled work. In both cases Natives and Europeans became competing factors of production, and it was in the sectional interest of groups of Europeans to exclude Native competitors. The attempt of such groups to obtain or to effect a privileged position for themselves has been one of the dominating forces in the labour market in South Africa."

The reaction of Native policy to this development has been one of compromise. There can be little doubt that European opinion has been overwhelmingly averse to social contact with the African people. This is not the place to argue how far this attitude is the result of anthropological or cultural differences, or merely of a fear complex, or how far it is reciprocated. It must be accepted as part of the data. In the past it has been this attitude which has been expressed in the policy of "segregation". But segregation has been a fiction from the very earliest times, a mere wish-fulfilment, and though it is still used to describe the policy of isolation and separate economic development, it has long since lost what little reality it might originally have possessed.

Another proposal for Native policy is that of "trusteeship", a term which has been useful in disguising the barrenness of segregation. There is a warmth of sentiment in it and it represents a high moral aim. But South Africa is far too heavily Europeanized for the policy of trusteeship ever to have the meaning or results which the idealists who drafted the Covenant of the League of Nations visualized, and which might be quite possible of fulfilment in some of the colonies and mandates where Western encroachment is a minimum. If segregation were feasible, then White civilization might quite properly be called upon to act as trustees to the child-race. But segregation is not feasible, and trusteeship tends to lose something of its hall-mark as a genuine policy.

Dr. van der Horst assesses the segregatist doctrine impartially; she is more concerned with the historical development of policy as it has affected Native labour, than with its broader social and economic repercussions. Nevertheless, her conclusion is that "in South Africa 'segregation' is in reality nothing more than a policy of discrimination, partly official, and attempted exploitation". The extent to which legislation has contributed to this result is problematical. "Spontaneous preferences of employers" would alone have played an important part in racial discrimination. But these preferences have received legislative sanction and backing, so that since Union a most rigid labour structure has been created on the customary division between skilled and unskilled workers. This implies, as was indicated above, that it is competition between White and Black on the labour market that is now the conditioning factor in legislative policy. Recognizing the inevitability of Native employment, European South Africa has sought to confine that employment to the lowest grades of work, and a considerable number of enactments have been designed to this end. After reviewing in some detail the evolution of this statutory programme, Dr. van der Horst concludes:—

"It is impossible to determine the net effect on the national income of all these measures. That those which restrict the employment of Natives reduce national productivity is certain. They have been adopted in order to promote the employment of Europeans and to assist them to maintain 'civilized standards'. In the short run they may be effective, but only at the expense of raising costs and limiting production. They may temporarily protect a privileged few from the difficulties of adjustment required by a changing world. They can do this only by impeding progress and growth in the wealth of the community taken as a whole, and the Native population in particular."
The result has been a re-formulation of the doctrine of separation and the setting aside of certain areas exclusively for Native occupation. These areas are meant to be neither politically nor economically autonomous and depend to a large extent upon the outside market both for selling their labour and for purchasing many of their needs. Indeed, the Reserve economy is balanced only by the export of labour.

The market for this labour is mainly in the towns, especially the large towns in which mining and industrial activity has increased most rapidly. It is a market mainly for male labour, so that urban African populations are highly masculine. The doctrine of separation is also applied within the towns, and Bantu workers are accommodated in locations or compounds or hostels, away from Europeans. Mine workers and many industrial workers are recruited in the Native areas, for definite periods, at the end of which they return home. Other workers come voluntarily into the towns to earn a cash wage and they, too, after working a certain time or earning a certain amount, return home.

**Town and Country**

This policy is hardly a new one, but the Native Trust and Land Act of 1936 and the Amendment to the Native Urban Areas Act of the following year gave it a much more rigid shape. A policy of Reserve "development" was initiated and certain contiguous areas were released for purchase by the South African Native Trust in order to bring the total area of Reserve land to 181 million morgen. This was designed to establish the maximum number of Natives in parts set aside specifically for them. At the same time, the number of Natives present in the urban areas was to be limited to the "reasonable labour needs" of the respective towns. Thereafter, the flow between country and town could be controlled, with the dual purpose of maintaining tribal life in the Reserves and ensuring an adequate supply of labour to the European economy.

As a policy this seems to aim at securing the best of both worlds. "The ideal is to recreate a Bantu world which shall be enlightened by our religion and ethics, and instructed by our economic experience, whether that world lives and works in European areas or whether it is separate from the Europeans as in the Native Reserves: a world in which the interests of each in its own sphere shall be paramount, without detriment to the other." Perhaps the best commentary that could be made is implied in a word which the Native Affairs Commission itself uses—"recreate". The fact is that the society which the Commission visualizes has disappeared—if it ever existed—and in its stead is the unsatisfactory transition society which is the Union's burden of poverty.

The Reserves are in an extremely poor state, due largely to faulty methods of agriculture and their too great human and animal burden. The farmers continue to complain of labour shortage and the disintegration of the tribal morale of the Natives on their farm lands. In the towns wage earnings are in many cases insufficient to cover the elementary needs of Native families; slum conditions of the worst type have developed in many parts; ill-health, malnutrition, illicit traffic, juvenile delinquency are all rife. And round the towns, within which some control has been attempted, are growing "black belts" where poverty and lawlessness are the order of the day. The mines continue to spread their recruiting out over a wider and wider area in order to obtain the necessary number of labourers.

**Two Recent Reports**

About these conditions and about the growing urgency for their amelioration there is a considerable degree of unanimity. As to the causes of the present ill is there rather less agreement. (It is in this direction that objective interpretations of history such as presented in Dr. van der Horst's book are most valuable.) But when it comes to prescribing policy for the future there is a profound split in opinion. Two recent official publications epitomize the situation: the latest report of the Native Affairs Commission and the Third Interim Report of the Industrial and Agricultural Requirements Commission.

To the layman these documents seem to crystallize two opposing attitudes: that of the conservative, pleading for existing policy to be given a fair trial, and that of the progressive, calling for a re-formulation of policy on the basis of a forecast of future development. Are these attitudes mutually exclusive? If so, which offers the greater possibilities for rational development? If not, is there any chance of a synthesis out of which a Native policy might emerge which is really conducive to the optimum welfare of the country?

The Native Affairs Commission diagnoses the root of the trouble in the towns where "employers are interested in maintaining a reservoir of Native labour to meet their varying needs, and the effect of this reservoir on maintaining low wages is to their financial advantage". In the towns, where the tribal Native obtains temporary employment, he competes with the detribalized Native, although he himself, supported as his family is on the land of the Reserve, is able to sell his labour at a price which is quite uneconomic to his detribalized brother, because "the Native industrial worker... who has become a permanent urban dweller, has to provide for his food and housing, both for himself and for his family, out of the wages which he receives—wages which are directly influenced by the presence of his tribal competitor. Such competition, so universally encouraged both by employers and altruists alike, is disastrous to the urban Native's standard of living." And the result is the desperate poverty in the urban areas with all its inevitable accompaniments, and the rapid disintegration of tribal society because of the frequent and demoralizing periods of unemployment.

A policy of Reserve development, therefore, is forced to conclude that "all evidence goes to show that measures designed merely to offer a counter-attraction to the drift to the towns will fail. Greater compulsion will have to be applied to those on whom the responsibility rests to restrict all urban entry, or the State must itself exercise the necessary control."

The two pillars upon which South African Native policy is to be built, therefore, are a building up of a Native economy able to provide the re-direction of all townward movement to the absolute minimum. Only the permanently urbanized and detribalized African must ultimately remain outside the Reserves; even farm labour need will be recruited on short-term contract from adjacent Native territory. And in the Reserves some sort of industrial structure will be set up, financed by the Trust in such a way as to be "ancillary" to, and not "competitive" with European industries in the rest of the Union. The alternative to this separate development is pointed to in a somewhat pertinent picture in the concluding sentences of this section of the Native Affairs Commission Report:

"If the anthropological, sociological and political considerations, which lie at the root of our Native policy were to give way to administrative laissez-faire, based on the demands for cheap labour, there would be little purpose in spending millions on the acquisition of additional Native land and in maintaining and developing the Reserves."
The simplest, most rational method of ensuring the quick assimilation of the Natives into our European economy would be to repeal the protection afforded to the Native Reserves under the Natives Land Act and allow them to revert to tribal ownership with full liberty for their disposal. They would not long remain Native. Under European direction this huge Native State would be intensively developed and result in a considerable disposal. They would not long remain under European direction this huge Native State would be intensively developed and result in a considerable disposal. They would not long remain.

Native Reserves under the Natives Land Act.

An increase in the national income is the only basis on which a general improvement in economic status can be effected. Consequently, the only rational line of development is the progressive transfer of labour from agriculture to industry, mining, and commerce. Initially, this would involve the training and transfer of sub-marginal and marginal European farmers, but such transfer would not carry the process very far; indeed, the Commission suggests that "European migration to the towns has passed its peak. The pressure on industry to absorb displaced farmers is thus expected to diminish." It is largely on Native labour that the expansion of non-agricultural activities must rely.

An increase in the ratio of Non-European to European employment in urban centres seems to the Commission "to be essential since the Non-European population is increasing faster than the European and there is also a relatively greater influx of Natives into the towns. The movement of Natives from the Reserves—where malnutrition is rife—to mining and to urban industries is not viewed with alarm by your Commission, since statistics of production show little scope for increased agricultural output if the present farming practices are followed. Indeed, with the present pressure of population and the methods employed in production on Native land, there is every likelihood that production will decline there as the cumulative effect of soil depletion and erosion gathers momentum. If unchecked, a continuation of the situation now prevailing in the Reserves must undermine a large part of the Union's land resources, a position which will demand the most serious and immediate attention because of its detrimental effect on the Union's labour supply."

The last sentence of this quotation is the key to another of the Commission's conclusions: one of the factors which inhibits the expansion of industry in normal times is the restricted market which is offered to local consumers. Now, this situation arises because the purchasing power which represents the productivity of so many of the workers in South Africa is lamentably low. If these workers are given the opportunity of becoming more productive and therefore of increasing their earnings and hence their spending capacity, then industry would be supplied with the requisite market. Part of this enhanced spending power would result from the movement from agriculture to industry. The importance which the Commission attaches to this movement may be indicated by another quotation:

"The much lower ratio in industry as compared with that in mining and agriculture is, however, largely a result of the numerous restrictions on the employment of Natives in industrial work. A substantial increase in the proportion of Non-Europeans to Europeans in industry is necessary before it can make an optimum use of the Native labour supply. Such a development would be possible with greater mechanization of industry, as the resulting simplification of manufacturing processes would enable semi-skilled workers to be employed in larger numbers. The Commission regards it as essential that this course be followed if industrial expansion is to be accelerated and if the Union's manufacturing industries are to become self-supporting. Natives are temperamentally suited to perform simple machine processes in which they could be readily instructed."

And again:

"A further increase in the use of Native labour in industry is indeed imperative because the country's Non-European population is increasing more quickly than the European, and because the influx of Natives to the towns is greater than that of Europeans. The existing European—Non-European labour ratio in industry cannot therefore be maintained indefinitely."

The second means of raising the purchasing power of this section of the population is by raising the wages of the lower paid groups, especially of the African urban worker. The Commission maintains that in the past the upper wage group has benefited to an undue extent from the rising national income, and in the future it is proposed that wage increases be confined to the lowest-paid workers. By this means, and by regarding some of the so-called skilled tasks, the...
wage structure may be brought more into line with that obtaining in other industrial societies. Such an increase in Native wages, it is suggested, would fulfil the dual purpose of swelling the effective demand for consumer goods and raising the efficiency of workers who at present are often paid too little to keep themselves healthy.

In summing up its findings the Commission declares once more that "the present inordinately restricted use of lower paid Natives is one of the causes of the un-economic position of manufacturing industry". And that "a further townward movement into other occupations is considered to be an economic necessity. This movement will mainly be a transfer of Natives . . ."

Contrast in Policies

It would be difficult indeed to find two officially recommended programmes which were so diametrically opposed to each other as those of the Native Affairs Commission and the Industrial and Agricultural Requirements Commission. And yet each contains a half-truth which seems to be a vital part of any future Native policy.

Nothing but a low national income can be expected in an economy in which poverty is the main means of ensuring a supply of labour. South Africa is not the only country to have tried to exploit the "utility of poverty". Two alternative methods of improving African productivity present themselves: development of the Native areas or transfer to more productive employment. The former is in line with current policy, but far ahead of it. It demands really large-scale investment—in roads and transport, irrigation, anti-riot measures, education, and public works in general—designed to raise the standard of agriculture and to conserve the soil resources. Thereafter, or even concurrently, must come a diversification of employment and the introduction of secondary industry into the Reserves. With the great disparity between European and Native productivity on the one hand, and between agricultural and industrial productivity on the other, this seems to be the only method of attaining an equilibrium which might make it possible to secure parallel and separate development of White and Black South Africa. But to postulate the absence of competition between the two economies under such circumstances is surely unrealistic. If the policy of development is conscientiously pursued with the object of raising the economic status of the African population in a more or less isolated society, then either the two economies will compete in the two markets or the markets themselves will have to be segregated, with the resultant denial to European industry of the very outlet on which its expansion is to be based.

The second alternative, viz. the transfer of Native workers to more productive employment, appears to be the wiser course. The Industrial and Agricultural Requirements Commission recommends it, but without fully indicating its implications. Any increase in urban Native productivity would magnify still further the disequilibrium between town and country: the farmers' difficulty in securing and retaining labour would be accentuated and the disintegration of tribal society in the Reserves would be accelerated. And the social problems arising from the increased urban influx, desperate as they already are, would be rendered even more serious. In this way the real value of the Reserves ("to protect Natives from undesirable results of sudden impact with a legal and economic system with which they were unfamiliar") would be undermined. Only a determined effort to increase productivity in the Reserves can offset this dangerous accompaniment of industrialism. This was the conclusion of the Economic and Wage Commission (Majority Report) in 1925 and the Native Economic Commission in 1932, and it is implicit in Dr. van der Horst's analysis. The Reserves must be given their full share of importance in the transition economy, between subsistence and industrialism.

There is a second difficulty which is indicated more clearly by the Industrial and Agricultural Requirements Commission. The industrial market depends upon the enhanced purchasing power of the lower income groups, chiefly the Africans. This, in turn, depends upon increased earnings which can arise only through improved productivity. The crux of the problem, therefore, lies in this raising of productivity. A mere increase in wage would not achieve this object. In Dr. van der Horst's words, "it is not at all certain that a rise in Native wages, even on the mines, would benefit Native workers as a whole... There is even less likelihood that the compulsory raising of wage-rates in manufacturing and commerce would increase the income of Natives as a group."

The Commission suggests two possible solutions. The first involves improving the efficiency of industry through the medium of "rationalization" schemes. The resultant increases in output and profitability should be diverted to the lowest-paid group of workers by means of a statutory freezing of skilled wage rates and, presumably, of the other factor prices too. The second method entails a regrading of occupations in order to free the labour structure of an artificial and statutorily maintained rigidity. This need arises because "the relatively large potential supply of Non-European industrial workers is likely in time to necessitate an extended use of Native labour in industry, and... this could only eventuate by relaxing the operative restrictions on their industrial employment".

This is not the place to debate the immediate practicability of any scheme for "rationalization" or "freezing factor costs". Nor is it necessary to dwell on the fact that these recommendations are hard sayings that demand sacrifices from groups that have laboured long to entrench themselves in privileged positions. The significance of the arguments which form the basis of this review lies in the fact that they reveal the growing realization of the integral nature of the South African economy. Against the solid factual background set out painstakingly by a trained economic thinker are the two programmes: the one aggressively realistic, impatient of social and cultural considerations, the other almost apologetic in its anxiety to recreate a vanished order. They are connected by the common acknowledgement that the Union's development depends on the progress of all racial groups, and by the common shadow which overhangs the whole picture: the burden of poverty.

DISTRIBUTIVE JUSTICE AND COLOUR ANTAGONISM

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For many years liberals in South Africa have attacked the colour bar as it manifests itself in every aspect of our national life. Their lack of success has been so obvious that some have resigned themselves in despair to the inevitability of a caste society in our country. They have, however, too often overlooked the fact that colour prejudice in this country is based on fear, and on a reasonable fear. The European working-class is afraid that, without a network of colour bar laws and practices to protect them, Native and Coloured workers would take jobs at very much lower rates of pay, and so lower the European standard of living to something not much better than the present miserable Native standard of life.